

Mervyn's closed its Prestonwood Town Center store Monday, becoming the second major department store to leave the struggling Far North Dallas mall.

Mervyn's Prestonwood store "has not been meeting profit levels," said Sandra Salyer, a spokeswoman for the California-based subsidiary of Dayton Hudson Corp. Dayton Hudson, which also owns Target Stores, said in January that it was closing all its Mervyn's stores in Florida and Georgia, and would shut down 10 more "poor-performing" stores by mid-1998.

Mervyn's now operates 273 stores in 14 states, including 44 stores in Texas.

J.C. Penney Co. said earlier this month that it is pulling out of Prestonwood by mid-October after failed attempts to boost the store's sales by expanding its sports apparel and furniture departments failed.

At Prestonwood, the remaining department store anchors - Dillard's, Lord & Taylor and Neiman Marcus - are also considering leaving the mall, according to retail real estate sources.

Apparently that's fine with TrizecHahn Centers Management Inc., the San Diego-based firm that manages Prestonwood.

TrizecHahn said in a written statement Monday that the department store closings "advance" its ability to "take greater advantage of possible redevelopment opportunities." However, the company still isn't saying what those prospects might be. For almost two years, TrizecHahn has reviewed "development alternatives" for Prestonwood, saying a decision was imminent.

Those ideas "currently remain under strategic review and therefore are not ready to be announced at this time," the company said in a prepared statement Monday.

Mervyn's owned the two-story, 136,000-square-foot store it has occupied at Prestonwood since 1985. The store was sold to TrizecHahn in a "very amicable" negotiation process, Ms. Salyer said. The developer also terminated Mervyn's operation contract without a fight, she said.

The store's staff of about 50 people was notified of the closing early Monday before the store normally would have opened.

Employees were told they will be offered transfers to Mervyn's 12 other stores in the Dallas-Fort Worth area. Anyone who doesn't take a transfer will receive a severance package based on their years of service, Mervyn's said.